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The Aluminum Situation

Department of Economics and Statistics

March 1986

January Shipments Up 5.7 Percent

Net shipments for January 1986, at an estimated 1,289 million pounds, were up 5.7 percent from the January 1985 total of 1,220 million pounds.

Domestic shipments of 1,196 million pounds were up 9.8 percent from the January 1985 total of 1,090 million pounds.

Imports of ingot and mill products were up 10.5 percent and exports were down 28.8 percent.

Thru January 1986

	1 mo. 1986	1 mo. 1985	% Change
Mill Products	1,056	958	+10.2
Ingot	233	262	-10.9
Total	1,289	1,220	+ 5.7
Less Exports	-93	-130	-28.8
Domestic Total	1,196	1,090	+ 9.8

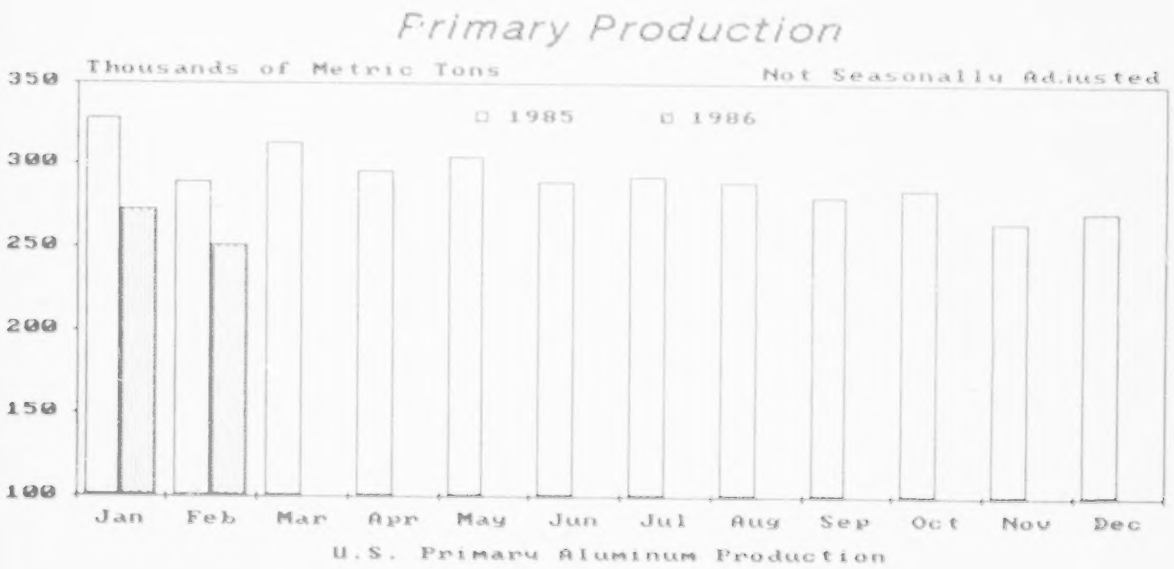
Millions of Pounds
Source: Latest two months estimated by the Aluminum Association. Previous data-Bureau of the Census.

Production Rate Down 13.1 Percent

U.S. primary aluminum production averaged 8,954 METRIC tons daily during February 1986, compared with an average 10,308 METRIC tons per day in February 1985.

The annual rate of production in February 1986 was 3,268,223 METRIC tons, compared to 3,209,657 METRIC tons in January 1986. The February 1985 annual rate was 3,762,358 METRIC tons. Actual production in February 1986 was 250,713 METRIC tons.

Commencing January 1986, Aluminum Association primary production is measured in METRIC tons.

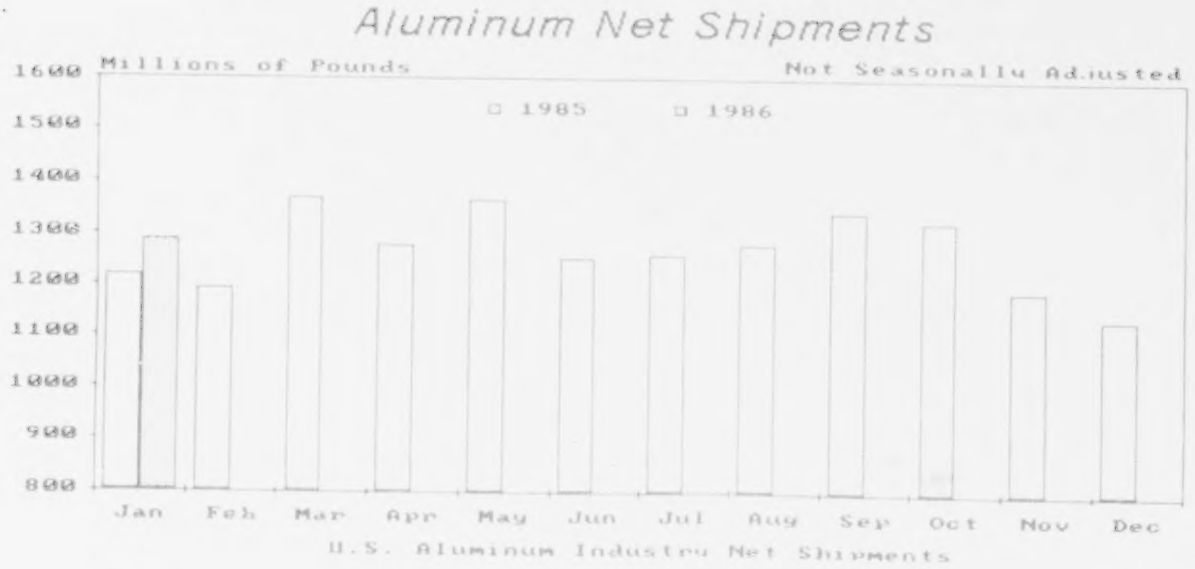


Aluminum Association total industry estimates are based on information reported by members, which is aggregated by the Association and then expanded to total industry data utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

The Aluminum Situation

January 1986 Net Shipments Up 5.7 Percent

Estimated shipments of 1,289 million pounds for January 1986 were up 5.7 percent from the January 1985 total of 1,220 million pounds. Exports were down 28.8 percent so domestic shipments showed a 9.8 percent increase over a year ago.



Net Shipments

(Millions of Pounds)

	1986 Jan.	1985 Jan.	% Change YTD 1986 vs. 1985
Sheet	534.0	468.4	+14.0
Plate	23.0	21.3	+ 8.0
Foil	85.0	63.8	+33.2
Rod, Bar & Wire	33.0	29.3	+12.6
Electrical Conductor	51.0	59.2	-13.9
Extruded Shapes & Tube**	226.0	219.3	+ 3.1
Powder & Paste	10.0	10.6	- 5.7
Forgings & Impacts	12.0	12.7	- 5.5
Net Imports of Mill Products (Total)(a)	82.0	73.5	+11.6
Total Mill Products	1,056.0	958.1	+10.2
Ingot(b)	233.0	261.6	-10.9
TOTAL INDUSTRY SHIPMENTS	1,289.0	1,219.7	+ 5.7
Exports	-92.7	-130.2	-28.8
TOTAL DOMESTIC SHIPMENTS	1,196.3	1,089.5	+ 9.8

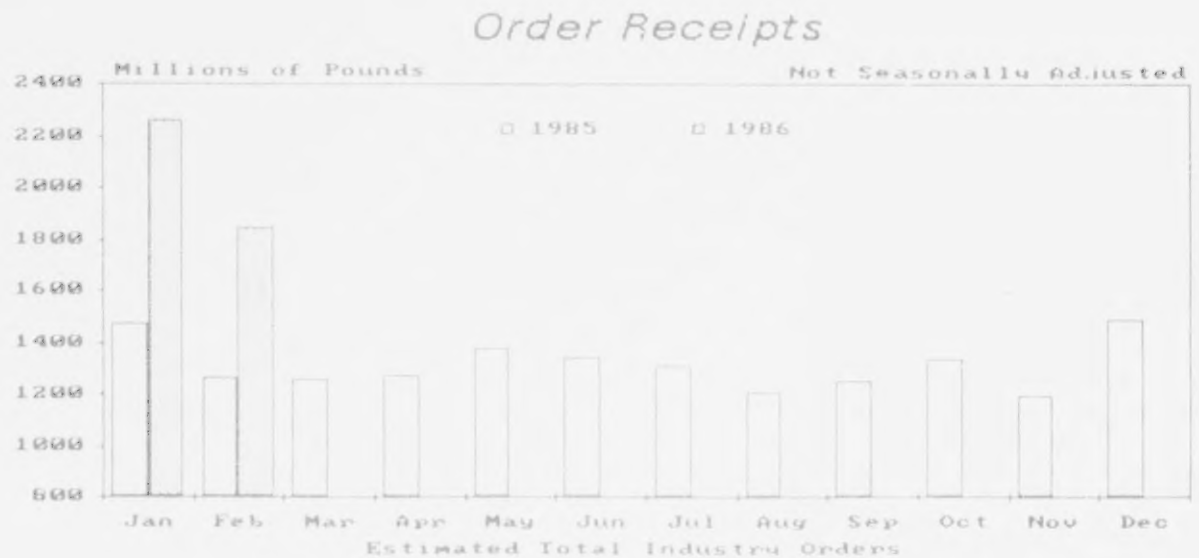
** January-May 1985 shapes and tubes increased to account for unsourced Census revision to total mill products.

*Latest two months estimated by the Aluminum Association.
Previous data-Bureau of the Census and Department of Commerce.
(a) Not included in product data above.
(b) Sufficient data not available for reliable estimate. Implicit in this item is a 10 to 25% variation.

Commencing January 1985, Census reports have changed product categories as follows: Rod, Bar and Wire now includes Extruded Rod and Bar, the former Extruded Products now only consists of Shapes and Pipe and Tube; and Welded Tube has been dropped.

Net New Orders for Two Months of 1986 Up 50.9 Percent

Estimated net new order receipts for two months of 1986 of 4,111 million pounds were up 50.9 percent over the revised first two months of 1985 total of 2,724 million pounds. February orders of 1,847 million pounds were down 18.4 percent from January's 2,263 million pounds.



Order Receipts

(Millions of Pounds)

	1986 Feb.	1985 Feb.	1986 2 mos.	1985 2 mos.	% Change YTD 1986 vs. 1985
Can Stock(a)	442.8	211.6	888.7	573.8	+ 54.9
Sheet & Plate, Other	448.6	327.1	894.5	691.2	+ 29.4
Foil	86.7	64.3	164.1	128.2	+ 28.0
Rod, Bar & Wire	33.5	11.7	65.1	24.7	+163.6
Electrical Conductor	54.0	47.8	118.7	119.8	- 0.9
Extruded Products	281.1	216.6	551.8	417.8	+ 32.1
Powder & Paste	4.0	8.2	14.3	23.7	- 39.7
Forgings & Impacts	9.3	10.2	19.4	23.6	- 17.8
Domestic Mill Products	1,360.0	897.5	2,716.6	2,002.8	+ 35.6
Ingot (Total)	425.0	287.9	1,195.8	547.6	-118.4
TOTAL DOMESTIC	1,785.0	1,185.4	3,912.4	2,550.4	+ 53.4
Exports	62.4	70.5	198.3	173.4	+ 14.4
TOTAL ALL PRODUCTS	1,847.4	1,255.9	4,110.7	2,723.8	+ 50.9

Source: The Association estimates total industry orders, based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available upon request.
(a) Import orders included in Sheet and Plate, Other.
*Latest month.

January 1986 Inventories Down 32 Million Pounds

Producer inventories declined an estimated 32 million pounds in January 1986 from a revised 1985 year-end level of 5,189 million pounds.

Month-End Aluminum Inventories
By Type of Producer
Figures in Millions of Pounds

Month	Total*	Integrated	Smelters	Non-Integrated
Dec 80	5,076	4,018	261	797
Dec 81	6,607	5,542	266	798
Dec 82	6,180	5,224	216	740
Dec 83	4,994	3,979	163	853
Dec 84	5,850	4,692	229	929

Month	Total*	Ingot	Scrap	All Other
Feb 85	5,820	2,695	676	2,450
Mar 85	5,800	2,560	663	2,577
Apr 85	5,728	2,597	682	2,449
May 85	5,684	2,579	693	2,412
Jun 85	5,596	2,436	664	2,496
Jul 85	5,575	2,450	681	2,444
Aug 85	5,489	2,397	695	2,396
Sep 85	5,438	2,359	662	2,416
Oct 85	5,337	2,347	643	2,347
Nov 85	5,246r	2,286r	612r	2,348r
Dec 85	5,189r	2,253r	561r	2,375r
Jan 86	5,157	2,115	580	2,462

*Latest two months estimated by Aluminum Association. Previous data by Bureau of the Census. Monthly totals include ingot, mill products and scrap.
Early estimates are available approximately the 3rd working day each month. However, there is a charge for this special service. Contact the Aluminum Association Department of Statistics and Statistical Services for details.

Imports and Exports

(Millions of Pounds)

		1986 Jan.	1985 Jan.	% Change 1986 vs. 1985
Imports	Mill Products	91.2	94.8	- 3.8
	Ingot	180.4	151.0	+19.5
	Total	271.6	245.8	+10.5
	Scrap (+ dross)	26.4	20.8	+26.9
	Grand Total	298.0	266.6	+11.8
Exports	Mill Products	44.6	42.4	+ 5.2
	Ingot	48.1	87.8	-45.2
	Total	92.7	130.2	-28.8
	Scrap	72.0	64.3	+12.0
	Grand Total	164.7	194.5	-15.3
Net Imports		133.3	72.1	+84.9

Source: Department of Commerce, Industry Trade Administration and Bureau of the Census. Includes backed foil.